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August 24, 2006

VIA HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Re: Duke Power Company LLC d/b/a Duke Energy Carolinas, LLC
("Duke Energy Carolinas")
Filing of Reconciliation Report

Dear Mr. Terreni:

Enclosed, as an informational filing, is Duke Energy Carolinas' Annual Reconciliation of Differences in its Balance Sheet and Income Statement in the SEC Annual Report, the FERC Form 1, and NCUC Form E.S.-1 Report. This Reconciliation Report was also provided to the North Carolina Utilities Commission ("NCUC") pursuant to Duke Energy Carolinas' Implementation Plan in the NCUC Docket No. E-7, Sub 722.

We understand that, pursuant to the South Carolina Public Service Commission's current e-filing protocol, we should make this filing as a new docket filing in order to e-file.

With kind personal regards, I am

Very truly yours,

/s/

William Frederick Austin

Lara Simmons Nichols
Duke Energy Carolinas
704-382-9960

Enclosures

cc: John W. Flitter
South Carolina Office of Regulatory Staff